



Tropicoir[®]
Lanka (Pvt) Ltd.



UNITED NATIONS GLOBAL COMPACT

Communication On Progress

"Children of Today Will Make Tomorrow's World"

2017-2018



Statement of continued support from Dinesh Fernando



Dinesh Fernando

Managing Director

Tropicair Lanka (Pvt) Ltd

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I am pleased to submit the details pertaining to Tropicair Lanka (Pvt.) Ltd. annual communication on company progress for the sixth consecutive year, to the United Nations Global Compact (UNGC),. As previously stated we have successfully updated our policies and procedures in line with the UNGC Ten Principles. This has enabled the company to share its corporate responsibility and experiences with our local partners leading to further support in meeting with the needs of our suppliers and customers and also in integrating with UNGC goals implemented within their organizations.

Being the Managing Director I am confident and also proud of the way Tropicair’s employees use their skills, knowledge and experience to create value for our communities. Their dedication and wholehearted enthusiasm for supporting our organizational goals and objectives has helped make a tremendous impact on the people and communities around them. Their support has contributed significantly towards making a difference especially in preparing the next generation to join our workforce while adopting environmentally sustainable work practices.

Moreover, my team and I give the assurance to always endeavour to inculcate practices derived from the UNGC principles amongst our communities thus promoting these practices in their lives as well. The following pages describe the projects initiated by the company during the period 2017/2018 relating to the principles of the UNGC.

Further we aim to manage our organisation in a more sustainable manner, in keeping with our commitment to the UNGC 10 principles.

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TROPICOIR LANKA (PVT) LTD.

INTRODUCTION



The workforce at Tropicoir are committed to help nourish our growing world through sustainable solutions by adhering to the highest standards of corporate ethics and accountability. With a firm commitment to the principles of the UNGC we actively work with our partners and customers to expand the reach and availability of coir substrates an environmentally friendly product, into our ever increasing customer base.

With a vision, 'to be the premier global organization providing a complete range of coir solutions' and a mission 'to be a passionate and committed team of professionals engaging in continuous innovation ensuring our clients achieve their goals', the company can proudly say we have successfully achieved same during the given period. Tropicoir has always followed the 'do what is right' philosophy. This has enabled us to devote our energies towards promoting a 'sustainable lifestyle' as well as educate both our suppliers and customers on sustainable practices through the scope of our activities.

Strengthening our obligations to a sustainable lifestyle are achieved through our adherence to,

- ISO 9001: 2015; Quality management principles which includes leadership and involvement of people to achieve our goals, and
- SA 8000: 2014; Social Accountability standard that helps to develop, maintain, and apply socially acceptable practices in the workplace.

Our formal commitment to the UNGC and its ten principles of human rights, labour rights, environment, and anti-corruption was initially made in 2012. The following report reflects actions we took during the year 2017/2018.



THE TEN PRINCIPLES HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses Assessment, Policy and Goals

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation Assessment, Policy and Goals

The staff of Tropicair are committed to following the principles of Human Rights. Following up on the codification activities which took place last year, the company has now fully implemented these practices and is completely transparent in all its employment practices in line with the Universal Declaration of Human Rights. This is further strengthened by our policy statement in which “we have formally declared that we shall not harass, bully or discriminate against colleagues, members of the public and employees”. The staff members have embraced this policy and depict the accepted levels of courtesy to the top management, subordinates and neighbours immaterial of their race, religion, sex etc.

Our HR Policies are in compliance with all Sri Lankan and SA 8000 rules clearly stipulating the number of working hours, age of employees and leave entitlement for all company employees. Our organization is also committed to improving the quality of education providing generous scholarships to children of our staff to ensure a bright future for all.

Tropicair is committed to upholding the conventions and recommendations of the ILO Conventions. As stated previously, the anti-discriminatory criteria outlined in our HR Policies Document is in accordance with Principle 6 of the Global Compact. We also have specific practices relating to workplace health and safety in order to ensure that our employees are not forced to work under unsafe conditions. We provide all employees with compensation if injury or incidents occur and are also currently reviewing our HR Policies in order to ensure that all suppliers and business partners are made aware of our labour principles. This review reinforces our company commitment through our policies to eliminate forced labour, child labour, and employment discrimination. We will continue to refine our policies to incorporate the principles of the UNGC into all aspects of our work.

Commitments to Our People, Our Partners & Suppliers, Our Customers and Our Community



As a policy our company is deeply committed to ensuring the wellbeing of our people. This commitment is fundamental to our success as a premier substrate producer and we believe it enables us to hire the best talent, build the most effective teams, and deliver the highest value products to our customer. We are also committed towards creating a safe working environment for all employees, providing training and supervision when and where necessary and have had no major injuries reported in our factories within the last three years.



We also actively promote a culture that is inclusive of all, where everyone has the opportunity to grow and develop by creating pathways for career progression which are transparent. To further this effort, our company has initiated a project of providing schooling for improving language skills enabling our junior staff to progress to be more proficient management candidates. Our efforts at promoting education also includes providing scholarships and books to the children of our employees to ensure that their children have the best start in their young lives.



Lastly the welfare of our employees extends beyond the confines of our factories and offices. The company has provided financial assistance to several families providing them with construction material towards the purchase of their roofs., Ms. N.R.N.Udayakanthi, Ms. U.P.P.Kumari Herath, Mr. H.M.Sepala Senarathne, Ms. R.M.Disanayaka, Mr. U.H.Samanthilaka, Ms. A.K.M.Kumarihami, Ms. P.D.Gunawathi, Mr. R.M.J.Rathnayaka, Mr. J.N.S.K.Bandara, Mr. W.T.Jayaweera, Mr. T.M.C.K.Bandara.

- Donated cash for Wayamba Cancer Society.
- Construction of a well for Karuwalagahawatta temple
- Construction of deep well for Nik/ Thimniriyawa Vidyalaya
- Scholarships for seven selected University students



As a practice our dedication towards community maximizes year on year and it plays a central role in our success. Creating strong linkages over the last two decades has enabled us to create a strong sense of civic duty and we are deeply committed to improving the living conditions of our community.

We at Tropicoir look toward 2019, to engage in many activities in relation Human Rights aiming to elevate and sustain the community which includes our staff as well.

As part of our efforts in welfare , we have also created worker councils and empowered them to form teams who would discuss pressing issues the employees have with the organization& its management.

Through this heightened level of employee engagement, we at Tropicoir feel confident that we are well poised to further the human-rights and labour principles at our offices and factories.

THE TEN PRINCIPLES

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

Respect for our environment is central to our approach to sustainable development. We have implemented stringent environmental practices through which we minimize, mitigate and remediate the harmful effects of our manufacturing practices on the environment. We have developed a number of practical programs for environmental management, which include input from our local communities, as well as from experts in these fields. By effectively planning and implementing these programs, we limit the environmental impact of our activities thereby conforming to the UNGC environmental principles.



Commitment to Our Planet

As the largest coir substrate exporter from Sri Lanka, we strive to be an exemplary leader in environmental sustainability. Coir is a readily renewable resource and the coconut plantations are a major source of carbon dioxide absorption helping to preserve the environment. Furthermore the coconut husk is itself a by-product from the coconut fruit and when used for horticultural and household uses allow it to not only be kept out of the waste stream but can also help renew soil and improve the garden. In producing substrates from coir, we are directly contributing to core environmental principles outlined in the UNGC sustainable environment practices. In addition, with the rapid growth of the substrates market and our commitment to development of new products which can help reduce the carbon footprint of our diverse customers we are committed to deliver on the environmental principles of the UNGC. We the Tropicoir has invested nearly US \$ 100,000 in mounting an Effluent Treatment Plant to reduce the water footprint being the first investor in our trade.

In 2019 we intend to reduce the use of water in the substrates, along with introducing coir products as an environmentally friendly soil substitute. We have completed several initiatives that have led to reduced usage in electricity while improving productivity within our factory.

THE TEN PRINCIPLES

ANTI - CORRUPTION



Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Tropicoir is committed to Principle 10 of the Global Compact. Our company's HR Policies, states that employees and the employers will not engage in fraud or corruption, must report any fraudulent or corrupt behavior, report any breaches of the law as well as generally accepted practices of good conduct along with understanding and applying all relevant accountability requirements. We are committed to maintaining the highest ethical standards and complying with all anti-corruption laws wherever we conduct our business. To this end and as reflected in our policies and values, we have zero tolerance for bribery or any other activity that violates the anti-corruption laws in any location we operate.

Commitments to Our Values

Our success over the last two decades has been a result of our values which include,

- Treating suppliers and customers with respect and faith,
- Growing through innovation
- Integrating honesty, integrity and business ethics in all aspects of corporate behavior.
- Inculcate good habits amongst our workers and encourage them to practice same in their day to day life.

We are following through with the initiatives which were implemented in 2015 by urging all our employees, business partners and suppliers to abide by both the spirit and the letter of all anti-corruption laws in Sri Lanka.

We assure that we always respect the Human Rights of all living beings. That is the secret of maintaining a healthy atmosphere both within and outside the factory and the organization as a whole